

SC Department of Health and Environmental Control Best Management Practices

72.90 (GP: Best Management Practices) By September 1 of each year, agencies appropriated funds in this act must report on their website a self assessment of the agency's use of the following best practices during the prior fiscal year. For each of the best practices, the agency must publicly rate itself as **In Compliance**, **In Progress**, or **In Non-Compliance**.

The following is a self-assessment of the South Carolina Department of Health and Environmental Control's use of the 13 best management practices during fiscal year 2003-2004:

1. Integration of Planning and Budgeting: *The agency employs a multi-year strategic planning process that links the planning process with the annual budget review.* [In Progress]

- The agency employs a multi-year strategic planning process. The Offices of Planning and Budgets work closely with the Executive Management Team (EMT) and agency staff to prepare the Annual Budget Request and other budget documents prescribed by the Office of State Budget.
- The EMT sets priorities and manages fiscal reductions based on agency priorities. Long and short-range goals and objectives are analyzed and addressed during the preparation of the budget request and throughout the year.
- As budget reductions are mandated, the agency continues to analyze its mission, goals, objectives, priorities, impacts, programs, efficiencies and to identify alternative resources to determine which service areas are reduced or impacted. This methodology has allowed agency staff to work together to identify other resources and methods of providing services that have helped to reduce the negative impact on service delivery.
- DHEC is currently working on the next planning cycle setting direction for the agency for the next five years to further align the planning and budgetary functions of the organization.

2. Internal Audit: *The agency utilizes an active internal audit process that includes: (a) programmatic reviews along with fiscal reviews; (b) consistent follow-up on audit findings; and (c) reporting of the internal audit function to the institutional head and/or to the governing board, if applicable. Agencies that cannot afford a separate internal audit staff should use internal reviews that serve the same as an internal auditor.* [In Compliance]

- DHEC has an active internal audit process functioning within the agency. The Office of Internal Audit's (OIA) mission is to conduct routine, special and investigative audits to assist the DHEC Board and management in assessing and improving agency programs and operations.
- Audits are conducted based on an Annual Internal Audit Plan. This plan is prepared at the beginning of each fiscal year based on input received from DHEC management and staff, assessments of agency needs, and federal mandates. A risk-based approach is used to prepare the plan. The OIA also conducts special projects and investigations as requested.
- The OIA reports to the General Counsel and the Administrative/Audit Committee of the DHEC Board. This organizational structure helps to ensure IOA's independence from the audited areas.
- Internal Audits requests follow-up progress reports on audit recommendations 30 working days after the final audit report is issued. If all recommendations are not implemented at that time, the OIA follows-up with the audited areas at least quarterly to get a progress report until the recommendations have been adequately closed by management. Internal Audits presents the status of open internal audit recommendations to the Administrative/Audit Committee of the DHEC Board three times per year and to the DHEC Executive Management Team (EMT) twice per year. The Audit Committee and EMT emphasize the importance of implementing audit recommendations, which contributes to the success rate of implementation. On any given day, the agency has approximately 80% or more of all internal audit recommendations implemented.
- Over the past two fiscal years, the OIA has made 258 recommendations to improve agency operations, internal controls and procedures. Of those 258 recommendations, 239 have been implemented (93%), with the remaining 19 outstanding (7%), as of December 28, 2004. This shows a serious commitment by DHEC managers to make positive changes in the agency. Internal Audits continues to follow-up on the open recommendations and reports the status to the Audit Committee of the DHEC Board and the EMT.

IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS			
Years	Number of Recommendations	Recommendations Implemented	Recommendations Outstanding
FY2004	103	84	19
FY2003	155	155	0
TOTALS	258	239	19
Source: DHEC Office of Internal Audits (Data as of 12/28/04)			

3. Collaboration and Partnerships: *The agency demonstrates financially beneficial collaborative efforts with other public entities in performance of business functions including, as applicable, but not limited to, financial management, energy management, printing and publications, mail service, procurement, warehousing, public safety, security, space utilization, and parking.*
[In Compliance]

- The agency has a representative on the Governor's Water Law Review Committee (ad hoc) whose current goal is to achieve a formal agreement between Georgia and South Carolina to share the Savannah River's resources. Planning together saves time and resources by having a joint agreement in place before a drought or expanded growth on both sides of the river diminishes the river's capacity to provide water supplies for industry and public drinking water as well as to provide assimilative capacity for industrial and municipal wastes
- The agency partners with the SC Department of Transportation on the "Smart Ride" program, which reduces automobile exhaust emissions that contribute to high ground level ozone formation. This program saves our employees money on transportation costs, saves wear and tear on our highway system, and minimizing traffic congestion during peak travel hours by reducing the number of vehicles on the road.
- The agency coordinates, where appropriate, statewide water quality (WQ) monitoring responsibilities with several other agencies including SC Department of Natural Resources and the US Geological Service. By coordinating WQ monitoring, more data is gathered and more efficiency is realized in the monitoring effort.
- Maine and South Carolina have entered into an agreement to share SC's Environmental Facility Information System (EFIS), an enterprise-wide software application, used by three of DHEC's deputy areas: Environmental Quality Control, Ocean Coastal Resources Management and Health Regulations. The agreement benefits both states by serving as the framework for future additions and updates to EFIS. The expected developmental cost savings are between \$100,000 and \$300,000 per year.
- In SC Business One-Stop (SCBOS), DHEC is working with four other agencies (Secretary of State, Employment Security Commission, Labor, Licensing and Regulation, and the Department of Revenue) on an enterprise initiative to provide a "one-stop" gateway for the electronic submittal of business and professional registrations and licenses. Other state and county agencies, as well as municipalities, will also be a part of this collaborative project to improve service to the public.
- By March 2004, 45 of the state's 46 counties had submitted to DHEC, Early Action Plans on steps they would take toward ozone reduction between now and

2007 to achieve cleaner air sooner than the federal government requires. By working together with DHEC through this Early Action Compact process, South Carolinians will obtain the public health, environmental and economic development benefits of cleaner air sooner.

- The Sustainable Environment for Quality of Life (SEQL) project is funded by a US EPA grant and is led by the Centralina Council of Governments (COG) and the Catawba Regional COG with support from DHEC, North Carolina's environmental agency and the US Environmental Protection Agency. Government, business and community leaders from North and South Carolina are called upon to address environmental issues that impact the quality of life and economic viability of the Charlotte/Gastonia/Rock Hill region. The project supports the region's efforts to develop integrated and long-term solutions to ensure economic development and a positive quality of life for its future. The SEQL bi-state region includes fifteen counties and is populated by 2.1 million people and encompasses over 100 political jurisdictions.
- In November 2004, the Governor signed into law a bill establishing advisory committees for the Catawba/Wateree and Yadkin/PeeDee River basins. The advisory committees will review the recommendations of the Governor's Water Law Review Committee to improve the interstate management of water between North and South Carolina to better plan for public drinking water supplies as well as water supplies for business and industry. DHEC staff will provide assistance to both advisory committees.
- DHEC is partnering with the SC Departments of Corrections, Mental Health, Disabilities and Special Needs, and Juvenile Justice to combine efforts to recruit critical health care professionals. The agencies are sharing resources to attend health care career fairs and promoting state government as a place to work. Generic advertisements have also been placed on job websites to generate interest. DHEC developed a CD to distribute to interested health care workers that describes each of the agencies and the type of workforce needs for each agency.
- DHEC was acknowledged by the Governor's Office for having the most expenditures with Minority Business Enterprises (MBEs). In FY 2004 the agency spent \$8.1M with MBEs, a 53% increase exceeding its goal by 120%. It is estimated to be 29% of the state's totals once all other agencies have completed their reports. Over the last five years, the agency's MBE expenditures have been in the top two in the state. DHEC has averaged \$6.1M expenditures per year with MBEs compared to all the other agencies' combined average of \$19.0M, of which DHEC's total is 24% of the state's total. [Annual Accountability Report III.6.5 page 27 and 7.3.2 page 43]
- In an effort to ensure the public's health while swimming along South Carolina's nearly 200 miles of coastline, 2,724 beach monitoring samples were collected

and analyzed in calendar year 2003. Some of the sampling was the result of a first ever grant program that allowed municipalities to aid in sampling and notification efforts. The sampling done by Coastal Carolina University through this grant program allowed for more frequent sampling in some areas than would have otherwise been possible with limited staff resources. A database was created to track beach samples and advisories and allow for electronic transfer of data from DHEC's system directly into EPA's database system. [Annual Accountability Report 1.2 page 3]

- The agency has developed partnerships with schools and private physician practices where DHEC staff, supplies and other resources are available to serve clients in the private setting.
- DHEC has collaborated with the State Agency Training Consortium (SATC) to make DHEC training classes available to all member agencies of the SATC and in turn, DHEC staff is able to attend training at other agencies.

4. Outsourcing and Privatization: *The agency examines opportunities for contracting out various business functions, has performed cost analyses, and has implemented, where economically feasible, cost saving contracts.* [In Compliance]

- DHEC has a contract with the SC Department of Revenue (DOR) through the Governmental Enterprise Accounts Receivable Collection Program (GEAR) to provide collection services for delinquent accounts. Through this program DOR is able to garnish tax refunds under the SC Tax Code to satisfy outstanding receivables, which the agency has been unable to collect.
- The recycling of office paper for the central office area was outsourced to the Department of Corrections Recycling Program. The agency conducted an internal analysis of the effort of performing this function in terms of labor, equipment and facilities. Further, analysis was made of using a commercial vendor and the selected method has demonstrated to be the most comprehensive, efficient and cost effective.
- The agency established a partnership arrangement with six agencies serving children with special needs in Greenville County. This arrangement provides for sharing receptionist, utilities, janitorial service, common supplies, fax and local telephone usage. This special collaboration not only saves costs, but also centralizes and improves services delivery. The partnership includes the following organizations: Speech, Hearing and Learning Center, Inc., Pediatric Rehabilitation Services of the St. Francis Health System, Preschool Special Education Program of the School District of Greenville County, Greenville County Disabilities and Special Needs Board, Children's Hospital of the Greenville Hospital System and BabyNet of DHEC.

- As part of the WebDeath System Implementation Project for registering deaths in South Carolina, forty-six personal computers were provided by DHEC to the SC Coroners Association for distribution to local county coroners. This collaboration promotes prompt, accurate and efficient reporting of this vital information.

5. Process Analysis: *The agency makes a critical examination of its business processes in an effort to increase productivity, reduce waste and duplication, and improve the quality of services provided to its internal customers.* [In Compliance]

- Both internal and external audits are used to help the agency examine its business processes to make improvements. DHEC is constantly working to improve its services and operations through analyses. In addition to the audits, several of the program areas also do their own internal reviews to help improve program results [See #2 - Internal Audits.]
- The Environmental Quality Control (EQC) area of the agency recently completed a Baldrige Assessment of internal processes and has four subcommittees working on implementing the assessment recommendations.
- The DHEC Reward and Recognition Program is being implemented to reward employees for Community Involvement, Customer Service, Teamwork, Cultural Competency, Professional Development and Overcoming Obstacles. The theme for the program is "Cause for Applause" and contains two components. First, person-to person recognition will be called "High Fives, " in which all employees could give recognition to other employees. The second component is called "Standing Ovation" and is reserved for managers to give recognition to employees who exemplify one of the categories. The agency worked with the Office of Human Resources of the Budget and Control Board to develop this program.
- The savings for grouping state contract items into volume purchases for personal computers and other information technology products during the period July 2003 - June 2004 were \$873,546 representing more than 33% below the state contract pricing of \$2.6 million for personal computers. Similar methods were used for purchases of other contract items such as printers, switches, servers and backup tapes for the agency resulting in a savings of over \$26,180 from the state contract price of \$68,611. This is a savings of over 38%. The total combined savings realized by grouping purchases of state contract items into volume purchases was \$899,726. [Annual Accountability Report 7.3.3 page 44]
- The purchasing card generated an estimated cost avoidance saving of approximately \$539,000 (February 2003 to February 2004). The card reduces

administrative costs; eliminates requirements for requisitions, purchase orders, mail and postage; and reduces the timeframe for making small dollar purchases and acquiring goods.

- Real estate leases were renegotiated to obtain more favorable terms, including downsizing space requirements. These efforts resulted in a savings of over \$1 million in FY 2003. [Annual Accountability Report 7.3.4 page 44]
- The agency has recently revised its performance management system. The new system is called the Employee Performance and Development Plan (EPDP) because of its emphasis on both performance and development. Job duties, agency values, individual performance and development characteristics are included in the evaluation process. These new additions will help improve workforce development. This consolidated document will result in a streamlining of processes and should include clear and measurable performance standards with direct correlation to the agency mission. [Annual Accountability Report III.5.3 page 23]
- The agency participated in the SC Sales Tax Holiday as a savings initiative. By doing so, a total cost avoidance savings of \$49,236.16 was realized for all tax free qualifying purchases in comparison with \$42, 454.75 for 2003, representing a 14% savings.
- The Agency Imaging Contract was procured through process analysis, collaboration and consolidation of resources of multiple divisions. Implementation of this contract allows for the following: the agency imaging services can be consolidated into one contract; the ability to reduce the number of optical disk arrays required to house data for the agency; the reduction/elimination of paper and storage requirements; and an increase in customer response time. Through the combined budgetary resources of multiple divisions and the expanded use of this technology, it is projected that there will be a substantial costs savings.
- The agency offers procurement training courses designed to provide information on topics affecting the agency procurement arena and information provided by various service providers. These sessions also act as a forum for internal and external customers to provide ideas to enhance our current processes, increase productivity or to address a variety of questions or concerns.
- In 2004, the agency won the Fleet Safety Award in the large agency category with an accident frequency rate (AFR) of 0.68. For comparison, the average state AFR for FY 2004 was 5.70. The mid size agency was 1.88. DHEC's rate was more than eight times lower than the state average and nearly three times lower than the mid size agency award. DHEC received this award not only for low AFR, but also for continued commitment to fleet safety. DHEC demonstrates commitment by educating agency drivers on how to drive defensively, and by

promoting a greater awareness of fleet safety among employees. During FY 2004, DHEC employees earned 113 Safe Driving Awards.

6. Use of Automation and Technology: *The agency uses a long range plan for improved use of technology to enhance business processes and takes deliberate efforts to implement this technology within budget constraints.*

[In Compliance]

- The Environmental Facility Information System (EFIS) is an enterprise-wide application that integrates information on environmental facilities, permits, violations, enforcement actions, and compliance activities needed to support regulatory requirements and target environmental quality improvements for the agency deputy areas of Environmental Quality Control, Ocean and Coastal Resources Management and Health Regulations. EFIS has components that interface to agency Internet and Intranet applications, PDA applications, GIS applications, laboratory systems and Environmental Protection Agency (EPA) systems.
- DHEC has successfully implemented and placed into production an EPA compliant Network Node, which allows the EPA to retrieve required data from our information systems in a secure environment using the web and also allows regulated facilities to submit required reports electronically.
- The agency has implemented a customized PDA (personal data assistant) application for performing underground storage tank inspections that has resulted in significant savings in data entry and audit requirements for our inspectors, and improved the overall quality of our data. Tank data is automatically downloaded to the PDA from EFIS, and inspection data is automatically uploaded to EFIS. These interfaces use components that can be reused for other PDA applications that will reduce costs and streamline development time.
- The agency is continuously enhancing the use of GIS in our permitting processes, emergency response activities, disease surveillance, and health services. Over 40 environmental layers have been created that are used extensively within DHEC, as well as by many other governmental entities, such as SC Department of Natural Resources, SC Parks, Recreation and Tourism, SC Emergency Management Division, SC Forestry Commission, EPA, University of SC and Clemson Universities and the public.
- The Solicitation Management System (Procurement WebPages) continues to provide self-serve access to solicitations and awards, which reduces administrative costs. Since inception in 2002, there are now more than 450 vendors registered as users, more than 275 solicitations and approximately 600 documents have been made available. The use of the Web allows

vendors to self-serve access to solicitations and award information, reducing administrative costs, distribution and postage fees, and other associated costs. [Annual Accountability Report III.6.5 page 27]

- The agency has implemented an agency-wide automated training management system (TraMS) to give units and employees more control over training functions. TraMS replaces several mainframe systems and places responsibility and accountability for registration, scheduling, reports, certificates, tracking and training support functions at the unit/local level. [Annual Accountability Report III.5.2 page 22].
- The Shared and Integrated Geographic Information System's (SIGIS) mission is to provide managers and policy makers with decision support systems and applications that enable them to better analyze spatial information related to environmental and public health issues. The main objective is to develop and maintain the agency-wide, enterprise GIS infrastructure including hardware, software, network, and databases to provide spatial analysis capabilities as well as to interface with existing DHEC information management systems (such as Environmental Facility Information System [EFIS]). The enterprise SIGIS program provides long-term and consistent support for DHEC staff and customers who need GIS and related services. These services include internal desktop applications, Intranet and Internet mapping capabilities, and a data server, which provide external users the ability to download GIS layers maintained and developed by SCDHEC. The program facilitates a better use of limited resources and minimizes redundancy across the agency's administrative boundaries. [Annual Accountability Report III.4.4 page 19]
- The Division of Emergency Medical Systems (EMS) currently provides paper ambulance run reports to SC counties at a cost of \$30,000 per year, in addition to \$.037 per run report to key the data into the database. Through a grant, seven computers were purchased for Kershaw County EMS to allow them to electronically submit their run reports in lieu of paper reports. In addition, Charleston County EMS, which makes 60,000 runs per year, has converted to a paperless reporting format. These changes will decrease the Division of EMS's costs for providing paper forms and keying in data from paper report forms.
- The Personnel Action Information System (PAIS) has improved customer service and efficiency by processing personnel actions in a more timely manner with the elimination of the paper actions being sent to many locations. Last year 10,000 transactions were completed through PAIS reducing the completion time from 10 to 3.5 days. In addition, two positions in the Office of Personnel Services, which were previously used to key in actions into the old system, have been left unfilled resulting in a saving of more than \$80,000. [Annual Accountability Report III.4.4 page 20]

- The Client Automated Record and Encounter System (CARES), a statewide public health information system is being implemented by the agency and will assist with the care and tracking of clients across the state who receive services through any of the state's health departments and will result in the merging of over 60 separate data bases that include over 4.5 million patient records. [Annual Accountability Report III.4.4 page 20]
- The agency's 2003 Quality Assurance (QA) Management Plan was approved by the EPA in August 2003. The five-year plan provides QA oversight and protocols to insure quality of all environmental data collection activities for both Environmental Quality Control and Ocean and Coastal Resource Management programs. To reduce time required to manually review and process data, EQC is currently investigating the use of electronic submission and validation of environmental data submitted to the agency. [Annual Accountability Report III.4.3 page 19]
- The agency links to national data systems to ensure data quality and availability for decision-making. The National Electronic Disease Surveillance System (NEDSS) is being implemented to better manage and enhance the large number of current surveillance systems and allow the public health community to respond more quickly to public health threats, including bioterrorism events. This system is allowing the agency to transition from a paper to an electronic system that will improve efficiency and effectiveness. When completed, NEDSS will electronically integrate and link a wide variety of surveillance activities and will facilitate more accurate and timely reporting of disease information from health providers to the states and, ultimately, to and from the CDC. [Annual Accountability Report III.4.3 page 19-20]
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- Vehicle and Fleet Maintenance Program was developed for DHEC and other fleet managers across the state to have the ability to access to a user-friendly program to capture required operational information. The agency continues to enhance the capabilities of this program through input and recommendations from our users. This program is used across the state by city, county and state governments. DHEC has made this program available at no charge to any governmental entity in order to help them to have a good user-friendly system without spending large sums of money to achieve this ability. This program has reduced manual record keeping, increased data accuracy, and provided the ability to produce "on demand" fleet data.
- DHEC has implemented geo-coding technology to support location sensitive public health operations, which improves decision making and emergency response time.
- The agency has implemented web-based (thin client) systems to support registry and screening. Examples include the implementation of web-based technology to develop major health registry and data systems: South Carolina

Vital Record and Statistics Integrated Information System (SCVRSIIS); Carolina Health Electronic Surveillance Systems (CHESS); Client Automated Record and Encounter System (CARES); and South Carolina Community Assessment Network (SCAN).

- DHEC has implemented a statistical data warehouse to separate transaction systems from data analysis systems. Examples include: DHEC PHSIS and Health Services have been implementing the SAS Data Warehouse technologies to support analyses of vital statistics, health surveys and diseases data for public health planning and decision making.
- The agency has designed systems to trigger and accomplish immediate business actions. Examples include: SCVRSIIS; CARES; Environmental Facility Information System (EFIS); and CHESS, which are all event-driven systems. They function to accomplish immediate business actions (permitting, issuance, care delivery and interventions) for DHEC.
- DHEC has designed individual systems by logical models and integrate them to accomplish the overall goals of improving health outcomes. DHEC Executive Management Team implemented a hierarchical information infrastructure concept in 2000, which helped enforce the integration of individual systems toward improving the overall health comes.
- The agency has implemented a web-based data dissemination tool with descriptive functions to support community assessment and planning. Examples include the South Carolina Community Assessment Network (SCAN).
- DHEC has implement open systems data and programming standards to allow system integration. Examples include both SCVRSIIS and CHESS, which are designed as open systems to allow communications for better interoperability and integration.

7. Energy and Other Resource Conservation and Management: *The agency uses a plan to conserve energy and other resources and has demonstrated positive results the plan.* [In Compliance]

- The agency recycles office paper, cardboard and aluminum cans.
- DHEC currently has five gas/electric hybrid vehicles in its fleet.
- DHEC currently has 205 alternative fuel vehicles in its fleet and has ethanol-85 fuel available at its pumps at the 2600 Bull Street location.
- The agency uses teleconferencing to reduce travel.

- The agency won a grant to plant trees at the Bull Street location. The trees will reduce the amount of lawn that needs to be mowed thus saving fuel, reducing fuel exhausts and providing a pleasing aesthetic presence to the office building.
- The agency sponsors an in-house program, "Take a Break from the Exhaust" through the Bureau of Air Quality, which encourages employees to save fuel costs, reduce vehicle emissions, highway wear and tear, reduce traffic congestion and promote employee camaraderie.
- The agency provides many of its documents like regulation and permit applications and policy and procedure manuals on-line in downloadable form for its customers and employees saving paper, printing and mailing costs.
- Prompted by the agency's employees' cost savings program, the DHEC raised awareness of energy consumption of desktop computer equipment and instructed that they be turned off at the end of each workday. The Bureau of Air Quality has installed an EPA developed program on PC's that will automatically activate the power management features of computer monitors to place the monitors in a low-power sleep mode after ten minutes of inactivity. This program is projected to save a considerable amount of money each year in electricity costs, but more important results in reduced air emissions from utilities that serve our area.
- The agency has a policy that allows telecommuting in appropriate situations, which reduces travel costs and the need for office space.
- Annually, the agency submits the "Energy Consumption Report" form for each facility in the central office area (approximately 26 separate facilities) to the State Budget & Control Board.
- DHEC uses high efficiency, T-8 fluorescent bulbs and electronic ballast in the Sims/Aycock and Mills/Jarrett Buildings, two of the larger agency buildings.
- The agency purchases energy saving Energy Star compliant equipment and uses them to the greatest extent possible.

8. Preventive and Deferred Maintenance: *The agency uses a regular program of preventive maintenance to preserve its physical assets and has developed a plan to address overdue maintenance needs for its facilities.* [In Compliance]

- The Facility Maintenance section saved the state an estimated \$190,216 in material and labor cost. Staff provided in-house construction and renovation services totaling 2,782 man-hours, routine building maintenance of 2,756 man-hours and grounds maintenance of 1,676 man-hours. Utilizing outside

contractors would cost DHEC considerably more than the in-house labor cost not to mention the savings in material markup.

- The Vehicle Maintenance section has saved approximately \$110,500. Vehicle Maintenance has been recognized by the Budget and Control Board for being one of the top two shops in state government. The Vehicle Maintenance staff performed service and/or repair work on 1,454 vehicles or pieces of grounds equipment involving 1,095 work orders. Their activities also allowed DHEC to realize the cost savings of completing repairs in-house vs. using contracted services.
- HVAC (heating, ventilating & air conditioning equipment) equipment at State Park is checked and serviced semi-annually.
- Overdue preventive maintenance issues are moved up to a priority “one” or “two” status from the normal priority “three” status.
- DHEC coordinates with the Office of General Services facility maintenance section to ensure preventive maintenance within our leased facilities.

9. Alternate Revenue Sources: *The agency makes substantial efforts to identify and secure alternate revenue sources (excluding categorical grants for specific functions) to supplement funds available from state appropriations.* [In Compliance]

- With the support of stakeholders, the agency has attempted to promote user fees to cover the cost of many services provided, such as specific fees to review pool and spa construction and maintenance and fees to cover the processing of water facility construction permits. The agency works with stakeholders to get their support and buy-in to pay the fee.
- The agency pursues third party reimbursement, establishes fee schedules for services provided, and pursues partnership agreements with private organizations for the provision of health services.
- DHEC actively seeks and applies for grant funds and work with community partners to leverage resources (dollars and person-power) that will further our mission to promote and protect the public’s health.
- The agency makes substantial efforts to involve the business community in the identification of revenue sources for programs and projects that are beneficial to the business community. For example: swimming pool inspections; partnering with other state agencies including the State Department of Health and Human Services for new Medicaid initiatives; partnering with school districts for the expansion of service delivery and Medicaid reimbursement; and contracting with

partnerships and private sector to develop new business relationships and revenue streams.

10. External Annual Financial Audit Findings: *The agency minimizes or avoids all management letter and single audit findings in the annual audit performed or supervised by the State Auditor, especially violations of state law, material weaknesses, single audit findings and questioned cost.* [In Compliance]

- DHEC addresses all findings identified by the state auditors. The state auditors or their contractor(s) audit DHEC each year for compliance with State Policies and Procedures, which results in the Agreed upon Procedures Audit, and compliance with federal programs, which results in the Statewide Single Audit, of which DHEC is a part. Over the past two fiscal years audited, DHEC has received no reportable findings in the Agreed upon Procedures Audits and only one finding each year for the Statewide Single Audits. According to the state auditors and their contractor/s, this is quite an accomplishment for an agency of DHEC's size and mission. A copy of these audit reports can be found on the state auditor's website at www.osa.state.sc.us.

RESULTS OF THE STATEWIDE SINGLE AUDITS AND AGREED UPON PROCEDURES AUDITS FOR DHEC		
Report	FY2003 Recommendations	FY2002 Recommendations
Agreed Upon Procedures Audit	0	0
Statewide Single Audit	1	1
TOTALS	1	1
Source: DHEC Office of Internal Audits		

11. External Review Findings: *The agency minimizes or avoids all non-compliance findings related to its business practices in external reviews and audits.* [In Compliance]

- Because of an active Office of Internal Audits and many programs performing internal compliance reviews, the agency attempts to identify and resolve any issues prior to having external reviews of the programs. [See #2 - Internal Audits.] As a result, DHEC usually does well in the external reviews conducted of the agency.
- Any issues that are identified by external auditors are monitored internally to ensure timely correction, and implementation is reported back to the auditors.

- The Office of Internal Audits also receives and reviews the sub-recipient contractor audit reports as required by OMB Circular A133. Any material findings or issues presented in these audit reports are communicated to the relevant program areas.

12. Long Range Capital: *The institution uses a long range (minimum three to five years) capital improvement plan for major capital requirements for its buildings and has, subject to fund availability, begun implementation of the plan. [In Compliance]*

- Annually, the agency is tasked by the Budget & Control Board (B&CB) to update its current and five-year projected capital expenditure plan (over \$100K) and to forward that information to the B&CB using their "Comprehensive Permanent Improvement Plan (CPIP) forms.

13. Risk Management: *The agency has an active risk management program in place to minimize its losses. [In Compliance]*

- The agency has a Risk Management Program that: (a) collates the information collected by various DHEC committees or units for analysis and provides recommendations to upper management for policy or procedures changes; (b) provides a forum to discuss risk issues that cross deputy areas, such as specialized training that may apply to several areas within the agency; (c) promotes efforts to reduce risk factors designed to minimize insurance costs; (d) facilitates design and configuration of data collection systems related to risk management that includes quality indicators; and (e) raises employee awareness and education level in order to reduce risk.
- The agency has an Office of Environmental Community Health (OECH) that serves as a liaison between DHEC and communities throughout the state. OECH evaluates community concerns about exposures to toxic substances, responds to environmental issues, and recommends ways to protect public health. Many perceived fears can be alleviated by agency involvement with communities and communicating actual risk. This office saves the agency time and money by being proactive with community groups regarding their environmental contamination concerns.
- Public awareness of the potential danger from accidental releases of hazardous substances has increased with the occurrence of several chemical accidents over the years. In 1996, Environmental Protection Agency issued the Risk Management Program Rule aimed at preventing accidental releases and reducing the severity of those releases that do occur. Under the Emergency Planning and Community Right-To-Know Act, the information provided at the local level helps fire, police, and emergency response personnel and is useful to citizens in understanding the chemical hazards in their communities.